

N E W S R E L E A S E

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California's Unemployment Rate Declines to 4.8 Percent **Payroll Employment Up 17,300 Jobs**

SACRAMENTO – California's unemployment rate was 4.8 percent in September, down from 4.9 percent in August, the state Employment Development Department (EDD) reported today. A year ago, in September 2005, California's unemployment rate was 5.2 percent.

According to EDD's survey of employers, nonfarm payroll employment in California increased by 17,300 jobs over the month, for a total of 15,043,500 jobs.

According to the separate survey of households, the number of Californians holding jobs in September was 16,942,000. This was an increase of 159,000 jobs from August, and up 114,000 jobs from the employment total in September of last year.

The number of people unemployed in California was 858,000 – a decrease of 11,000 over the month, and down by 65,000 compared with September of last year.

Of the unemployed, 260,400 were laid off, 98,400 left their jobs voluntarily, and the remaining were either new entrants or reentrants into the labor market, or persons who completed temporary jobs.

UNEMPLOYMENT INSURANCE CLAIMS (NOT SEASONALLY ADJUSTED)

In related data, the EDD reported that there were 296,597 people receiving regular unemployment insurance benefits during the September survey week. This compares with 317,462 last month and 300,121 last year. At the same time, new claims for unemployment insurance were 36,491 in September 2006, compared with 36,335 in August and 34,705 in September of last year.

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WAGE AND SALARY EMPLOYMENT DETAIL (SEASONALLY ADJUSTED)

EDD's report on payroll employment (wage and salary jobs) in the nonfarm industries of California totaled 15,043,500 in September, a net gain of 17,300 jobs since the August survey. This followed a gain of 36,800 jobs (as revised) in August.

Ten of the categories (**natural resources and mining; construction; manufacturing; information; financial activities; professional and business services; educational and health services; leisure and hospitality; other services** and **government**) added jobs over the month, gaining 18,200 jobs. The educational and health services industry showed the largest gain, up by 4,600 jobs. One category, **trade, transportation and utilities** reported job declines this month, down 900 jobs.

In a year-over-year comparison (September 2005 to September 2006), nonfarm payroll employment in California increased by 179,800 jobs (up 1.2 percent).

Ten industry divisions (**natural resources and mining; construction; manufacturing; trade, transportation and utilities; financial activities; professional and business services; educational and health services; leisure and hospitality; other services;** and **government**) posted job gains over the year, adding 183,600 jobs. On a numerical basis, leisure and hospitality showed the strongest employment growth, adding 42,500 jobs (a 2.9 percent increase). On a percentage basis, natural resources and mining showed the strongest gain, up 3.8 percent (adding 900 jobs).

One category, **information**, posted job declines over the year, down 3,800 jobs (a decline of 0.8 percent).

WAGE AND SALARY EMPLOYMENT DETAIL (**NOT** SEASONALLY ADJUSTED)

Over the month, employment in **government** showed the largest non-seasonally adjusted gain, up by 65,800 jobs. Most of the gains were concentrated in state and local government education which were up by 6,900 jobs and 64,500 jobs, respectively, reflecting employment for the new school year. **Leisure and hospitality** recorded the greatest non-seasonally adjusted loss, down by 13,600 jobs. Most of the losses were in the arts, entertainment and recreation sector, which declined by 10,600 jobs.

Over the year, employment in the **leisure and hospitality** industries reported the largest non-seasonally adjusted gain, up 39,600 jobs. Most of the gains were in the accommodation and food service sector, primarily in food services and drinking places, which was up by 33,600 jobs. The largest decrease over the year was in **information**, which was down by 3,800 jobs. These losses were centered in telecommunications, which declined by 5,400 jobs.

Seasonally adjusted payroll detail follows:

WAGE AND SALARY EMPLOYMENT, SEASONALLY ADJUSTED DATA
(Amounts in thousands)

| Industrial Classification | September 2006 (prelim.) | August 2006 | September 2005 | Change Over 12 months (Percent) |
|--|-----------------------------|-------------|----------------|---------------------------------------|
| Nonagricultural Wage and Salary Workers | 15,043.5 | 15,026.2 | 14,863.7 | 1.2 |
| Natural resources and mining | 24.5 | 24.4 | 23.6 | 3.8 |
| Construction | 916.3 | 916.0 | 915.5 | 0.1 |
| Manufacturing | 1,513.7 | 1,509.7 | 1,507.0 | 0.4 |
| Trade, transportation and utilities | 2,838.5 | 2,839.4 | 2,831.4 | 0.3 |
| Information | 474.9 | 473.9 | 478.7 | -0.8 |
| Financial activities | 945.8 | 944.8 | 933.6 | 1.3 |
| Professional and business services | 2,206.4 | 2,203.9 | 2,168.6 | 1.7 |
| Educational and health services | 1,619.4 | 1,614.8 | 1,590.1 | 1.8 |
| Leisure and hospitality | 1,521.3 | 1,517.4 | 1,478.8 | 2.9 |
| Other services | 523.7 | 523.3 | 512.8 | 2.1 |
| Government* | 2,459.0 | 2,458.6 | 2,423.6 | 1.5 |
| Agriculture | 376.1 | 369.4 | 367.7 | 2.3 |

*Includes all civilian employees of federal, state, and local governments.

TABLE A
EMPLOYMENT AND UNEMPLOYMENT IN CALIFORNIA, SEASONALLY ADJUSTED DATA

| | September 2006 | August 2006 | July 2006 | September 2005 |
|---|----------------|-------------|------------|----------------|
| Civilian labor force ^a | 17,800,000 | 17,652,000 | 17,776,000 | 17,751,000 |
| Total civilian employment | 16,942,000 | 16,783,000 | 16,916,000 | 16,828,000 |
| Unemployment | 858,000 | 869,000 | 860,000 | 923,000 |
| Seasonally adjusted rate % | 4.8 | 4.9 | 4.8 | 5.2 |
| US seasonally adjusted rate % | 4.6 | 4.7 | 4.8 | 5.1 |

TABLE B
EMPLOYMENT AND UNEMPLOYMENT IN CALIFORNIA, UNADJUSTED DATA

| | September 2006 | August 2006 | July 2006 | September 2005 |
|---|----------------|-------------|------------|----------------|
| Civilian labor force ^a | 17,793,000 | 17,768,000 | 17,921,000 | 17,774,000 |
| Total civilian employment | 16,977,000 | 16,905,000 | 17,007,000 | 16,895,000 |
| Unemployment | 816,000 | 863,000 | 914,000 | 879,000 |
| Unadjusted rate % | 4.6 | 4.9 | 5.1 | 4.9 |

^aLabor force by place of residence including workers involved in trade disputes.

**MONTHLY LABOR FORCE DATA FOR COUNTIES
SEPTEMBER 2006; 2005 BENCHMARK
NOT SEASONALLY ADJUSTED**

| COUNTY | LABOR FORCE | EMPLOYMENT | UNEMPLOYMENT | RATE |
|--------------------|-------------------|-------------------|----------------|-------------|
| STATE TOTAL | 17,792,200 | 16,976,500 | 815,700 | 4.6% |
| ALAMEDA | 753,100 | 720,600 | 32,500 | 4.3% |
| ALPINE | 460 | 430 | 30 | 6.4% |
| AMADOR | 16,620 | 15,860 | 760 | 4.6% |
| BUTTE | 102,700 | 97,600 | 5,100 | 4.9% |
| CALAVERAS | 21,250 | 20,270 | 980 | 4.6% |
| COLUSA | 10,730 | 10,010 | 720 | 6.7% |
| CONTRA COSTA | 515,700 | 495,300 | 20,400 | 4.0% |
| DEL NORTE | 11,030 | 10,370 | 650 | 5.9% |
| EL DORADO | 91,800 | 88,300 | 3,500 | 3.8% |
| FRESNO | 407,100 | 380,500 | 26,600 | 6.5% |
| GLENN | 11,770 | 11,030 | 740 | 6.3% |
| HUMBOLDT | 60,700 | 57,800 | 2,800 | 4.6% |
| IMPERIAL | 62,600 | 51,500 | 11,000 | 17.6% |
| INYO | 9,080 | 8,720 | 360 | 4.0% |
| KERN | 338,000 | 317,100 | 20,800 | 6.2% |
| KINGS | 55,300 | 51,700 | 3,600 | 6.5% |
| LAKE | 26,740 | 25,210 | 1,530 | 5.7% |
| LASSEN | 12,180 | 11,460 | 720 | 5.9% |
| LOS ANGELES | 4,841,500 | 4,608,600 | 232,900 | 4.8% |
| MADERA | 66,300 | 62,900 | 3,400 | 5.2% |
| MARIN | 130,800 | 126,400 | 4,400 | 3.4% |
| MARIPOSA | 9,570 | 9,170 | 400 | 4.1% |
| MENDOCINO | 44,060 | 42,140 | 1,920 | 4.3% |
| MERCED | 101,000 | 93,900 | 7,100 | 7.0% |
| MODOC | 4,080 | 3,850 | 230 | 5.7% |
| MONO | 8,330 | 7,980 | 360 | 4.3% |
| MONTEREY | 209,700 | 199,800 | 9,900 | 4.7% |
| NAPA | 73,900 | 71,500 | 2,400 | 3.2% |
| NEVADA | 50,200 | 48,380 | 1,820 | 3.6% |
| ORANGE | 1,605,500 | 1,551,700 | 53,800 | 3.4% |
| PLACER | 164,400 | 158,500 | 5,900 | 3.6% |
| PLUMAS | 10,720 | 10,220 | 500 | 4.7% |
| RIVERSIDE | 861,100 | 818,200 | 42,900 | 5.0% |
| SACRAMENTO | 682,100 | 652,200 | 29,900 | 4.4% |
| SAN BENITO | 24,400 | 23,200 | 1,100 | 4.7% |
| SAN BERNARDINO | 871,200 | 832,700 | 38,500 | 4.4% |
| SAN DIEGO | 1,511,300 | 1,452,800 | 58,500 | 3.9% |
| SAN FRANCISCO | 421,600 | 404,300 | 17,300 | 4.1% |
| SAN JOAQUIN | 287,500 | 269,300 | 18,100 | 6.3% |
| SAN LUIS OBISPO | 132,600 | 127,900 | 4,700 | 3.6% |
| SAN MATEO | 365,600 | 352,700 | 13,000 | 3.6% |
| SANTA BARBARA | 214,000 | 206,100 | 7,900 | 3.7% |
| SANTA CLARA | 821,500 | 784,600 | 37,000 | 4.5% |
| SANTA CRUZ | 144,000 | 137,800 | 6,200 | 4.3% |
| SHASTA | 82,100 | 77,600 | 4,500 | 5.5% |
| SIERRA | 1,680 | 1,600 | 80 | 4.9% |
| SISKIYOU | 18,440 | 17,320 | 1,120 | 6.1% |
| SOLANO | 214,200 | 204,600 | 9,600 | 4.5% |
| SONOMA | 253,900 | 244,400 | 9,400 | 3.7% |
| STANISLAUS | 232,400 | 217,600 | 14,800 | 6.4% |
| SUTTER | 41,000 | 38,600 | 2,500 | 6.0% |
| TEHAMA | 25,700 | 24,360 | 1,340 | 5.2% |
| TRINITY | 5,300 | 4,970 | 340 | 6.3% |
| TULARE | 185,600 | 172,300 | 13,300 | 7.2% |
| TUOLUMNE | 26,190 | 24,900 | 1,280 | 4.9% |
| VENTURA | 421,100 | 402,600 | 18,400 | 4.4% |
| YOLO | 94,300 | 90,600 | 3,700 | 4.0% |
| YUBA | 26,700 | 24,600 | 2,100 | 7.9% |